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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 7, 2001

TO:

Internal File

THRU:

Greg A. Galecki, Team Lead

FROM:

Wayne H. Western, Senior Reclamation Specialist W HW

RE:

Leach Field Addendum A-1, Canyon Fuel Company, LLC, Dugout Canyon Mine,

**C/007/030-**AM01A

C/007/039

## **SUMMARY:**

On March 26, 2001, the Division received amendment AM01A for the Dugout Canyon Mine. The amendment is for the construction of a leach field. The permittee originally plan to remove the leach field pipes during reclamation. However, after the permittee submitted the amendment they received permission from the USFS to leave the leach field pipes in place. The amendment needs to be modified to show the change in the reclamation plan and reclamation cost estimate.

## **RECLAMATION PLAN**

# BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

### Analysis:

#### **Determination of bond amount**

On May 4, 2001, Gary Taylor stated to Wayne Western that the pipes associated with the leach field would be capped and remains in place for reclamation. The permittee received permission from the USFS to leave the pipe in place after the amendment was submitted. In the submittal the permittee show reclamation cost estimates for removing the leach field pipes.

#### **TECHNICAL MEMO**

R645-301-830.120 requires the permittee to base the reclamation cost estimate on the approved plan. Since the permittee plan to leave the leach field pipe they must modify the reclamation plan and reclamation cost estimate accordingly. Mr. Taylor agreed to make the changes and resubmit the amendment.

## Terms and conditions for liability insurance

## Findings:

Information provided in the proposed amendment is not considered adequate to meet the requirements of this section. Prior to approval, the permittee must provide the following in accordance with:

R645-301-830.120, The permittee must update the text and the reclamation cost estimate to show that during reclamation the leach field pipes will be left in place.

## **RECOMMENDATION:**

The Division should deny the amendment until the deficiencies have the adequately addressed.

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